

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

In the matter of New Century Telecom, Inc.,
(U-5912-C). Application for Approval of Stock
Purchase Agreement and Related Transfer of
Control.

Application 02-10-007
(Filed October 8, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING
GRANTING MOTION TO FILE UNDER SEAL**

1. Summary

This ruling grants the motion filed by New Century Telecom, Inc., (referred to hereafter as "the Applicant") to file under seal Exhibits 1 and 3 of Application (A.) 02-10-007. Exhibit 1 contains the Applicant's balance sheet dated August 31, 2002. Exhibit 3 contains the stock purchase agreement identified in the caption for this proceeding.

2. Requested Relief

The Applicant asserts in its motion that it is necessary to place Exhibits 1 and 3 under seal because they contain "information that is extremely sensitive and confidential." The Applicant also claims that the general public has no direct or substantive interest in this information, and that public disclosure of the Exhibits would give competitors an unfair business advantage.

3. Discussion

The purpose of the California Public Records Act and General Order 66-C is to provide "access to information concerning the conduct of the people's business" while counterbalancing the "right of individuals to privacy." (Gov. Code § 6250.)

In accordance with its purpose, the Public Records Act permits agencies to withhold records from the public when “the facts of the particular case [show that] the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record.” (Gov. Code § 6255.)

One of the Commission’s most detailed analyses of the balancing of the public interest in an open regulatory process with a utility’s desire to shield information from disclosure was a case involving Pacific Bell. (*In re Pacific Bell* (1986) 20 CPUC 2d 232.) In that case, the Commission stated:

PacBell must understand that in balancing the public interest of having an open and credible regulatory process against its desires not to have data it deems propriety disclosed, we give far more weight to having a fully open regulatory process. (20 CPUC 2d at 257.)

The standard applied by the Commission is a stringent one. The mere fact that a utility labels a statement or a document “proprietary” does not make it so. In the *Pacific Bell* case, the Commission stated:

Certainly there are times to be concerned about full disclosure of proprietary data. Classic examples are customer lists, true trade secrets, and prospective marketing strategies where there is full blown – and not peripheral – competition. To make the assertion stick that there are valid reasons to take unusual procedural steps to keep data out of the public record (e.g., sealed exhibits, clearing the hearing room, or sealed transcripts), there must be a demonstration of imminent and direct harm of major consequence, not a showing that there may be harm or that the harm is speculative and incidental. (20 CPUC 2d at 252.)

The Applicant has offered nothing more than an assertion that it will be competitively disadvantaged from the public disclosure of Exhibits 1 and 3. The asserted harm must be balanced against the public interest in the information.

Here, there appears to be no public interest in the information, as no member of the public has asked to see Exhibits 1 and 3. Therefore, the Applicant's unopposed motion is sufficient to tip the balance ever so slightly in favor of placing Exhibits 1 and 3 under seal.

Therefore, **IT IS RULED** that:

1. The motion of New Century Telecom, Inc., ("the Applicant") to place under seal Exhibits 1 and 3 of Application 02-10-007 is granted for two years from the date of this ruling. During that period the information shall not be made accessible or disclosed to anyone other than the Commission staff except upon execution of an appropriate non-disclosure agreement with the Applicant, or on the further order or ruling of the Commission, the Assigned Commissioner, the assigned Administrative Law Judge (ALJ), or the ALJ then designated as Law and Motion Judge.

2. If the Applicant believes that further protection of the information filed under seal is needed, it may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as the Commission rules may then provide. This motion shall be filed no later than one month before the expiration date of today's protective order.

Dated March 8, 2004, at San Francisco, California.

/s/ TIMOTHY KENNEY

Timothy Kenney
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Granting Motion to File Under Seal on all parties of record in this proceeding or their attorneys of record.

Dated March 8, 2004, at San Francisco, California.

/s/ ELIZABETH LEWIS

Elizabeth Lewis

N O T I C E

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